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By Electronic Filing

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St., SW
Washington, D.C. 20554

Re: AT&T Corp. Petition for Declaratory Ruling Regarding Enhanced Prepaid
Calling Card Services, WC Docket No. 03-133.

Dear Ms. Dortch:

I am Prepaid Services - Vice President for AT&T Corp. ("AT&T"). I write on behalf of AT&T to provide overwhelming evidence of how important this proceeding is to people across America, whether they live in Eagle Butte, South Dakota, on a farm in Kansas, in an apartment in Newark, New Jersey or on a military base in South Carolina. In addition, the reaction during the past week of prepaid card users to informational messages they are hearing on their calls further confirms that AT&T's enhanced prepaid card service is an information service.

A ruling against AT&T in this proceeding threatens greatly to increase the costs of providing enhanced prepaid card services. Those costs will have to be passed on in higher rates to prepaid card users, who are the Americans least able to afford such an increase. Heavy users of prepaid phone cards include members of the military, the elderly, members of many ethnic groups, and members of many low-income groups.

The use of prepaid cards by the military, for example, is particularly telling. Each year AT&T prepaid cards sold on military bases to men and women in uniform are used to place well over one billion minutes of long distance calls. This is how our soldiers stay in touch with their loved ones. Ask any family with a member serving in Iraq how those soldiers call home and they will tell you: with prepaid cards. This is equally true for those living on military bases here

in the United States. The AT&T prepaid cards sold on bases are just part of the military story. Each month, one of AT&T's large retail customers sells another 60 million minutes of AT&T prepaid phone cards through stores that are located adjacent to military bases and who serve a largely military-related customer group.

Another group of heavy AT&T prepaid card users are the residents of rural America. For example, prepaid cards are used by the residents of Eagle Butte, South Dakota. This town has less than 700 residents, a majority of whom are Native Americans. AT&T checked its records for prepaid card calls from telephone numbers that begin with 605-964-xxxx, which is Eagle Butte. During the month of June 2004, the citizens of Eagle Butte used AT&T prepaid cards to place 6289 long distance calls, using 32,426 minutes. These card users pay as little as 3 cents per minute for these calls using AT&T prepaid cards. By comparison, if these calls are held not to be information services, the intrastate access charges alone that might be applied to these long distance calls in South Dakota are typically 8 cents per minute.

Another telling examination is to compare the use of AT&T prepaid cards in a state like South Dakota with use in a more urban state, such as New Jersey. Last year, the residents of South Dakota purchased over 70 million minutes of long distance calls on AT&T prepaid cards. Although prepaid calling is also critical to many residents of New Jersey, Garden State residents purchased 117 million minutes of long distance calls last year on AT&T prepaid cards. Clearly, for a given population base, the use in a rural state such as South Dakota is much heavier.

Prepaid card users are very concerned about the possibility of new fees on their cards and resulting higher rates if the Commission denies AT&T's petition. Indeed, last Thursday evening, one of the major retailers of AT&T prepaid cards changed the information message on its AT&T prepaid cards. The new message stated:

"The Federal Communications Commission is reviewing the fees applied to your prepaid card calls. Your current rates, however, still apply. To tell the White House you want prepaid card rates to stay low, please call 800-696-6322."

Calls by customers to the 800 number in the message were forwarded by AT&T to the White House Comment Line. On the next day, Friday, the White House Comment Line was swamped by calls from concerned users. There were thousands of calls and call attempts trying to reach the White House. The calls continued over the weekend, although the Comment Line was closed. On July 17 and 18th (through 3:00 p.m. on Sunday) 50,893 prepaid card users tried to reach the White House on the 800 number played on the retailer's message. On Monday, July 19, the number of callers trying to reach the White House in response to the informational message on their prepaid cards escalated. On that day, through 4:00 p.m., there were 151,969 calls to the 800 number, all trying to reach the White House. Today (through 1:00 p.m.) there have been another 102,180 callers trying to reach the White House on this issue. The total number of callers to the White House since Thursday evening (through 1:00 p.m. today) is 335,018. Many of these callers successfully reached the White House, but many others heard busy signals because the White House Comment Line could not handle them.

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Many callers who could not reach the White House called AT&T's Customer Care number, asking how they could reach the White House or the FCC. During many time periods, AT&T was receiving more than 100 such calls an hour. These calls show a high degree of user involvement in response to the prepaid card informational message. It also demonstrates how important prepaid phone cards are to many Americans.

In short, the card user response to this informational message has been overwhelming, proving that the service truly functions as an information service. Calls have come from all states, from cities and rural areas, and from military bases. We urge the Commission to heed the request from these callers and not take action that would increase the costs of serving them.

Respectfully submitted,

/s/ Mark P. Evans

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